

AQO

MEMORANDUM FOR RECORD

SUBJECT: AQO Staff Meeting Minutes, June 25, 1996

SPI SYMPOSIUM. The Defense Systems Management College (DSMC) Commandant, Gen Black, is planning to conduct a series of symposia on acquisition reform topics. Gen Drewes desires to support this effort wherever feasible. The first symposium will address the Single Process Initiative (SPI) and will be conducted at the College (Howell Auditorium, Bldg 226) from 0830 to 1130 on Friday, June 28th. Jim Bauer will present an overview of the SPI and Steve Titunik (DCMC Raytheon) will address SPI implementation at Raytheon. Other speakers will include representatives from the contractor and the military services involved in the agreement. A panel discussion will follow the presentations. DCMC has a very visible role in the SPI. All DCMC personnel who are able should attend this symposium which will showcase our efforts.

POC is Doug Davy, Liaison to DSMC, at (703) 767-2393.

ROI. A new process for collecting and reporting cost savings and cost avoidances is being tested by the Districts in July and August. This new process streamlines the collection effort, and based upon the test results, we will implement at the beginning of FY 97. Any questions should be directed to Mr. Rich Zerilli, AQOG, (703) 767-3371.

OPS CHIEFS VTC. The first of the bi-weekly Ops Chiefs VTCs was held Monday, Jun 24. Topics discussed included the Joint Group on Acquisition Pollution Prevention, the Quality Assurance Management Information System (QA MIS), and the One Book Reengineering effort. Next Ops Chiefs VTC will be held Jul 22, due to the bi-monthly Ops Chiefs Meeting being held in New York City the week of July 8.

DCMC PERFORMANCE BASED STAFFING MODEL. A conference of DCMC, Defense Contract Audit Agency (DCAA), buying activity and industry representatives was held in Denver, CO, last week to develop a model for our non-resident CAOs. The conference was highly successful. It was agreed to modify the existing resident office model to accommodate the medium and smaller contractors. It will be tested in August and September at six sites. Implementation for all sites is planned for early FY 97.

SPI ACTIVITY.

- o One more block change mod was signed: UDLP, York, PA.

- o Executives from Motorola and DCMC Phoenix will be meeting with Mrs. Colleen Preston, Deputy Under Secretary of Defense (Acquisition Reform), on Friday, June 28 to discuss SPI and Motorola's progress and plans.

- o SPI "On the Road"

- oo Jim Bauer is in Boston today participating in a Navy Roadshow. He will be in Philadelphia tomorrow doing the same. He will be on leave next week.

- oo Dave Robertson will be attending the DCMC GEAC Summit on July 1-2, 1996.

DCMDI. Office in Dayton, OH, officially closes Friday, Jun 28. The DCMDI Commander's phone number at Ft. Belvoir is (703) 767-2487 and the FAX is (703) 767-2489.

#### CONTRACTOR CAPABILITY & PROPOSAL ANALYSIS TEAM (AQOD).

- o Mike Williams will meet with Mr. Marty Meth, Office of the Secretary of Defense (OSD), on Jun 25 to discuss Industrial Preparedness Planning (IPP) and DD Form 2737.

- o Mike Williams will give a presentation on parametric pricing at a conference hosted by the Society for Cost Estimating and Analysis (SCEA) in Orlando Jun 26.

- o Don Reiter has assumed responsibility for the Reinvention Laboratory for Reducing Oversight Cost, formerly managed by Mr. Lyle Bare. Mr. Reiter is also the HQ focal point for the Parametric Cost Estimating Reinvention Lab.

- o The Pricing and Negotiation Module of the DCMC Automated Metrics System will have its functional test in Chicago Sep 3-6. There are a few additional spots left on the team if anyone from the field with appropriate experience is interested in assisting with this effort. Contact Dave Ricci at (703) 767-3376.

#### PRODUCT DESIGN, DEVELOPMENT & CONTROL TEAM (AQOF).

- o Maj Latsis, Kevin Holt, Amir TarMohamed (AQOF), and Janak Pandhi (AQOJ), conducted an FY96-97 Software Professional Development Program (SPDP) planning meeting in South Weymouth (Boston), MA, 17-21 Jun 96. Attendees included District Software operations and Workforce Development representatives and also several field level software representatives. Agenda topics included FY96-97 SPDP course and budget

requirements, consolidating SPDP tracking databases, reviewing software surveillance course curriculums, updating the SPDP Training Guide, and reviewing 16 SPDP Level III applications. Eleven applications were approved, two were tentatively approved (pending successful completion of the F/TRANSition course), and three were returned for reaccomplishment. The updated SPDP Training Guide should be ready for release by Sep 96. Meeting minutes will be disseminated at a later date.

#### OVERHEAD CENTER (AQOK).

- o Honeywell has submitted its list of interrogatories to DCMC in preparation of a hearing before the Armed Services Board of Contract Appeals (ASBCA). The issue parallels the Gould, Inc. hearing which deals with settlement of pension costs in event of a divestiture (Cost Accounting Standard 413.50(c)(12)). Patrick Ring will provide litigation support for the attorneys.
- o The Gould, Inc. hearing before the ASBCA was closed on Monday, June 24. The issue dealt with Cost Accounting Standard 413.50(c)(12) (Adjustment of Pension Costs In Event of a Segment Closing). Patrick Ring was an expert witness in the case.
- o AQOK has formed a working group to address issues and concerns over Cost Accounting Standard 413.50(c)(12). Patrick Ring and Tricia Kobus will meet with several Defense Corporate Executives (DCEs) and the Defense Contract Audit Agency (DCAA) on June 25, 26 and 27. The purpose of this meeting is to develop a cohesive DCMC/DCAA response to Defense contractor concerns expected to surface at the CAC/DCAA/DCE conference in September.

#### GENERAL COUNSEL (GC).

- o GC - Gould ASBCA hearing concluded. This case may help make law concerning the interpretation of CAS 413 and what "adjustment" is required by the parties for an underfunded or overfunded pension plan.

#### WORKFORCE STRATEGY TEAM (AQOJ).

- o The Preplanning Team for the One Book Reengineering met 12-13 June at Fort Belvoir. The team consists of the following:
  - COL Frank Davis, AQO
  - Col Barry Harper, DCMC Santa Ana
  - LTC Herb McCulloch, DCMDI
  - Mr. Ed Swiatek, DCMDW
  - COL Jim Washington, DCMC New York
  - Col Lloyd Watts, DCMDS
  - Ms. Kathy Zalonis, AQO

The team met with Gen Drewes and Mr. Thurber to discuss their concept of the One Book: a restructured One Book which is clearer and easier to read, defines mandatory and discretionary policies and processes, and integrates mission and business areas.

The team then developed charters for both pre-planning and rewrite teams and is now in the process of reviewing strawmen for table of contents, chapter content and management concepts to be emphasized within the chapters. A preliminary action plan was briefed to General Drewes; he has indicated that he is very interested in this subject and wants to be kept informed of progress.

More to follow on this topic as we progress.

o Mary Wilson will be meeting with the Intern Program development group Jun 27/28.

o The Executive Development Program Group will meet Jul 1 and 2 with Willie Foreman.

APPROVED:

Frank J. Lalumiere for/

JILL E. PETTIBONE  
Executive Director  
Contract Management Policy